

Investing to Improve the Quality and Capacity of Child Care



Early Childhood Iowa is a collaborative approach between local communities and the state to improve long-term outcomes for children ages birth to five. Smart investments in children's early years produce the best outcomes in education, health and economic well-being for Iowa.

Preparing for the Future

By 2025, 68% of all Iowa jobs will require postsecondary education and training beyond high school.ⁱ To meet this challenge, we have to start early. After years of research into how to most effectively and efficiently develop human capital, Nobel Laureate Professor James J. Heckman concluded, "The foundation for school, career and life success is largely determined through the development of cognitive and character skills beginning in children's earliest years."

"For brain development, 3 is like pushing middle age."

*Dr. Jack Shonkoff,
Center on the Developing
Child, Harvard University*

Professor Heckman's research shows that the earlier the investment, the greater the return. His findings identify that investments in high quality, comprehensive birth-to-five programs produce significant outcomes for both the child and the child's mother.ⁱⁱ

Building a Strong Foundation

Professor Heckman's findings are rooted in how brains develop.

Brain scientists have discovered that during children's earliest years, their experiences are built into their bodies — shaping the brain's architecture, affecting how biological systems develop and impact a child's cognitive, social and emotional skills for the rest of his or her life. In other words, **brains are built, not born.**

The early years are so defining that the relationships young children have with caregivers and the quality of the early learning environments children are in can predict future academic achievement and career success. When we invest in creating opportunities for optimal child development, children are more likely to read at grade-level by the end of third grade, graduate from high school, stay healthier throughout their lives, get higher paying jobs and contribute more toward the costs of important public services.ⁱⁱⁱ

By investing in our youngest children, we create a stronger Iowa through individual health, wellness & economic well-being; thriving communities; and global competitiveness.

Impacting Iowa's Workforce

75%

of households in Iowa with children under the age of 6 have all parents in the workforce^{iv}



1+ Million

number of new neural connections per second in the first few years of life^v



47.5

number of hours a child under the age 6 and not in kindergarten is being cared for by someone else when the parent works 40 hrs. per week



7% & 32%

of Child Development Homes and Child Care Centers respectively in Iowa at a Quality Rating System Level of 4 or 5^{vi}



\$57 Billion

Annual U.S. economic cost in lost earnings, productivity and revenue based on the nation's child care crisis. The cost of the child care crisis for working parents with children under age 3: ^{vii}

- ♦ \$37 billion loss to parents
- ♦ \$13 billion loss to businesses
- ♦ \$7 billion loss to taxpayers



Every child, beginning at birth, will be healthy and successful

Early Childhood Iowa Initiative

Early Childhood Iowa (ECI) is not about one program or service. The initiative provides statewide governance and innovation with local inspiration by engaging a variety of citizen members to review the complexities of a community through community planning and investments. ECI promotes state and local level early childhood systems through a network of 38 local boards and led by the ECI State Board to:



- Promote shared responsibility
- Fill gaps in needed services
- Target services based on child, family and community needs
- Promote evidence-based services
- Reduce duplicative efforts

"A great strength of ECI lies in the combination of two things. The first strength is the positive impact of having local attention to needs in our communities from area boards. The second is having a statewide board comprised of citizens and representatives from six different state agencies all focused on improving the lives of our youngest citizens."

David E. Arens,
Early Childhood Iowa State Board Chairperson
Vice President, Fiduciary Advisory Specialist,
Wells Fargo Private Bank

Purpose of Early Childhood Funding

To enhance the quality and capacity of child care in support of parent's ability to obtain or retain employment



Early Childhood Funding Investments

Child Care Consultants

Provide on-site consultation to child care providers to assist them in meeting Iowa regulatory requirements and achieving higher levels of quality care

Child Care Nurse Consultants

Support child care providers in meeting health and safety needs of children in their care by providing outreach, on-site assessment, education, training, referral, special health care needs planning and QRS assessment reviews

Professional Development

Provide training opportunities to help child care providers meet Iowa regulatory requirements; improve the health and safety for all children; and address special topics related to quality child care

Quality Improvements

Grants and incentives to child care providers to make quality improvements needed to achieve regulatory compliance or higher levels in the Quality Rating System (QRS)

Child Behavioral Supports

Special training and consultation offered to child care providers for identifying and teaching strategies on how to minimize challenging behaviors in young children

Extending Program Day

Extends the length of comprehensive programs, such as Head Start, Early Head Start, Shared Visions and the Statewide Voluntary Preschool Program for Four-Year-Old Children

¹ Georgetown University: Center on Education and the Workforce (2015). *Iowa: Education and Workforce Trends Through 2025*.
² Garcia, J. L., Heckman, J. J., Leaf, D. E., & Prados, M. J. (2016). *The Life-cycle Benefits of an Influential Early Childhood Program*.
³ ZERO TO THREE (2015). *ZERO TO THREE Policy Pocket Card*.
⁴ U.S. Census Bureau: Population Reference Bureau. 2013-2017 American Community Survey
⁵ Center on the Developing Child (2009). *Five Numbers to Remember About Early Childhood Development* (Brief).
⁶ Iowa Department of Human Services (June 2019).
⁷ ReadyNation (January 2019). *Want to Grow the Economy? Fix the Child Care Crisis*. Council for a Strong America.

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WORKFORCE

BEHIND THE

WORKFORCE



WHY CHILD CARE MATTERS TO IOWA COMMUNITIES

Iowa leads the nation in the number of families with parents working outside the home - 75 percent of households with children under the age of 6 have all parents at home in the labor force. But in many Iowa communities, child care has become **unaffordable, inaccessible, or nonexistent**. As a result, working parents miss work, drop shifts, are less engaged on the job, switch employers, or leave the workforce all together.

Research consistently shows increasing parents' access to affordable, high-quality child care options isn't just a great perk for parents; it can have a positive impact to the bottom line of Iowa companies and play a critical role in a strong workforce and economy.

PUBLIC PRIVATE PARTNERSHIP COMMITTEE

The Early Childhood Iowa Public Private Partnership (ECIPPP) is a long-term collaboration between the public and private sectors to promote efforts that build public awareness of the importance of early childhood development. The primary area of this partnership is to create awareness among businesses of the critical role child care plays in retaining reliable, productive employees.

HOW INVESTMENTS IN HIGH-QUALITY EARLY LEARNING PROGRAMS HELP IOWANS:

- Strengthening families with young children
- Reducing crime and incarceration rates
- Increasing tax revenues
- Supporting more effective public schools
- Improving lifelong health

HOW INVESTMENTS IN HIGH-QUALITY EARLY LEARNING PROGRAMS HELP BUSINESSES:

- Reducing employers' recruiting and training costs
- Reducing absenteeism
- Increasing employee engagement and work satisfaction
- Strengthening the quality of Iowa's workforce

FINDING SOLUTIONS TO THE SHORTAGE

Iowa's parents and child care businesses cannot solve the child care shortage problem on their own. Access to high-quality, affordable child care is not just a parent issue, it's an employer issue and a community issue. Addressing the need for more high-quality child care options requires community-wide commitment and partnerships in identifying, discussing and implementing solutions. These are some of the partners working toward community child care solutions across Iowa.

- Board of supervisors
- City mayors/council members/administrators
- Chambers of commerce
- Economic development organizations
- Community foundations
- Early Childhood Iowa area board members/staff
- Early Childhood Iowa state board members
- Child Care Resource & Referral (CCR&R)
- United Way executives/staff
- State legislators
- Retirement living centers/nursing homes
- Business owners/leaders
- Human resource managers
- Child care businesses
- Hospitals
- Community foundations
- Parents
- Iowa State University Extension Service
- Community Action Agencies
- Private trust organizations
- Community colleges
- School superintendents/board members/administrators
- Advocacy organizations



IOWA'S HIDDEN WORKFORCE THAT EMPLOYERS AND COMMUNITIES DEPEND ON

There are almost 243,000 children under the age of six in Iowa today. Iowans work and the data supports it. Of the Iowa households with children under the age of six, 3 out of 4 households have all parents in the household in the workforce. Iowa ranks #1 in a tie with Minnesota and the District of Columbia.

In order for parents with young children to work, they need access to affordable, quality child care which is dependent on a reliable, educated child care workforce that is fairly compensated. When the child care supply and cost does not meet the demand of working parents, it costs parents in lost wages and retirement savings; employers in employee recruitment and retention and productivity costs, as well as, the ability to expand operations; and local and state economies in tax revenue and the ability to attract and retain qualified employees and new businesses.

CHILD CARE INDUSTRY

Iowa's child care industry employs 22,716 individuals who support an additional 5,100 jobs with revenues of \$447.6 million and an additional \$280 million in spillover impact in local.

Iowa has lost 40% of its' child care businesses in the last five years.

Almost 25% of Iowans live in a child care desert where there is an undersupply of licensed or registered child care options. That number is even high when looking at the undersupply of infant, toddler, and 2nd and 3rd shift child care options.

IOWA'S CHILD CARE WORKFORCE:

- In 2017, the median wage for child care workers was \$9.20, a 1% increase since 2015
- Average annual income is \$20,520
- A high demand job with 630 annual job openings
- Workers earn the same as parking lot attendants, amusement and recreation attendants and janitors and cleaners
- Does not earn sick days or paid family leave
- Does not have health or disability insurance available
- Does not have retirement savings accounts available

THE WORKFORCE DEVELOPING TOMORROW'S WORKFORCE

- For parents working full-time, children are in child care an average of 47 hours a week
- placeholder - Development of social emotional
- placeholder - brain development
- placeholder - soft skills

CONSEQUENCES OF CHILD CARE BREAKDOWNS

Iowa is not alone in experiencing a child care crisis. Several states are determining the impact of child care breakdowns on businesses and the economy. Researched conducted in other states, as well as, Iowa data provides insight into the depth of the child care issue.

- U.S. businesses lose approximately \$4.4 billion annually due to employee absenteeism as a result of child care breakdowns
- In July 2017, 12,773 Iowa women reported that they are not working full-time due to child care problems
- 17,916 Iowa parents said they quit a job, did not take a job, or greatly changed their job because of child care problems (2016)
- Estimates show there is currently a shortfall of more than 350,000 child care spaces
- Over a six-month period, almost half of parents are absent from work at least once due to child care issues, missing an average of 4.3 days
- Sixty-five percent of parents are late to work or leave work early because of child care issues an average of 7.5 times in a six-month period
- Six-three percent of parents nationwide say that child care costs influence their careers, with a majority of working parents (85%) say they wish their employer offered child care benefits, such as discounted child care or access to back up child care
- When companies provide child care, employee absences decrease by up to 30% and job turnover declines as much as 60%